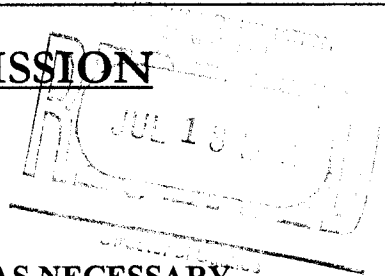


7-20-01
cm

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION



ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-02168A

T

TRUXTON CANYON WATER COMPANY, INC.
2409 RICCA DRIVE
KINGMAN, AZ 86401

ANNUAL REPORT

FOR YEAR ENDING

12	31	2000
----	----	------

FOR COMMISSION USE

ANR04	00
-------	----

COMPANY INFORMATION

TRUXTON CANYON WATER COMPANY, INC.

UTILITIES DIVISION
ANNUAL REPORT

YEAR ENDED DECEMBER 31, 2000

Dennis, Schmich & Co., Ltd.

Certified Public Accountants

Member of the AICPA Private Companies Practice Section

Telephone (602) 265-5900

3839 North Third Street Suite 305

Phoenix, Arizona 85012

The Board of Directors
Truxton Canyon Water Company, Inc.
Kingman, Arizona

We have compiled the balance sheets and statements of income and expense of Truxton Canyon Water Company, Inc. as of December 31, 1999 and 2000, and for the years then ended included in the accompanying prescribed form of Utilities Division Annual Report of Truxton Canyon Water Company, Inc. in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information on pages 3 through 6, page 10, and pages 13 through 15.

Our compilation was limited to presenting in the form prescribed by the Arizona Corporation Commission, information that is the representation of management. We have not audited or reviewed the financial statements and supplementary information referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements and supplemental information are presented in accordance with the requirements of the Arizona Corporation Commission, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

The supplementary information on pages 11 through 12 contained in the accompanying prescribed form has not been audited, reviewed or compiled by us and, accordingly, we assume no responsibility for that information.

June 4, 2001

Dennis, Schmich & Co., Ltd.

Company Name (Business Name) TRUXTON CANYON WATER COMPANY, INC.

Mailing Address 2409 RICCA DRIVE

(Street)

KINGMAN

(City)

AZ

(State)

86401

(Zip)

(520) 753-1121

Telephone No. (Include Area Code)

(520) 753-1963

Fax No. (Include Area Code)

(520) 716-1888

Pager/Cell No. (Include Area Code)

Email Address _____

Local Office Mailing Address 2409 RICCA DRIVE

(Street)

KINGMAN

(City)

AZ

(State)

86401

(Zip)

(520) 753-1121

Local Office Telephone No. (Include Area Code)

(520) 753-1963

Fax No. (Include Area Code)

(520) 716-1888

Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: B. MARC NEAL

(Name)

PRESIDENT

(Title)

8103 E. HWY 66

(Street)

KINGMAN

(City)

AZ

(State)

86401

(Zip)

(520) 753-1121

Telephone No. (Include Area Code)

(520) 753-1963

Fax No. (Include Area Code)

(520) 716-1888

Pager/Cell No. (Include Area Code)

Email Address _____

On Site Manager: B. MARC NEAL

(Name)

SAME AS ABOVE

(Street)

(City)

(State)

(Zip)

SAME AS ABOVE

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

Statutory Agent: JAY DUSHOFF

(Name)

2575 E. CAMELBACK RD.	PHOENIX	AZ	85016
(Street)	(City)	(State)	(Zip)
<div style="display: flex; justify-content: space-between;"> (602) 530-8000 Fax No. (Include Area Code) Pager/Cell No. (Include Area Code) </div>			
Attorney: RICHARD SALLQUIST			
(Name)			
2525 E. BILTMORE CR. #117	PHOENIX	AZ	85016
(Street)	(City)	(State)	(Zip)
<div style="display: flex; justify-content: space-between;"> (602) 224-9222 (602) 224-9366 Pager/Cell No. (Include Area Code) </div>			
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	

OWNERSHIP INFORMATION

Check the following box that applies to your company:

<input type="checkbox"/> Sole Proprietor (S)	<input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op)
<input type="checkbox"/> Partnership (P)	<input type="checkbox"/> Subchapter S Corporation (Z)
<input type="checkbox"/> Bankruptcy (B)	<input type="checkbox"/> Association/Co op (A)
<input type="checkbox"/> Receivership (R)	<input type="checkbox"/> Limited Liability Company
<input type="checkbox"/> Other (Describe) _____	

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

<input type="checkbox"/> APACHE	<input type="checkbox"/> COCHISE	<input type="checkbox"/> COCONINO
<input type="checkbox"/> GILA	<input type="checkbox"/> GRAHAM	<input type="checkbox"/> GREENLEE
<input type="checkbox"/> LA PAZ	<input type="checkbox"/> MARICOPA	<input checked="" type="checkbox"/> MOHAVE
<input type="checkbox"/> NAVAJO	<input type="checkbox"/> PIMA	<input type="checkbox"/> PINAL
<input type="checkbox"/> SANTA CRUZ	<input type="checkbox"/> YAVAPAI	<input type="checkbox"/> YUMA
<input type="checkbox"/> STATEWIDE		

COMPANY NAME

TRUXTON CANYON WATER COMPANY, INC.

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	20	0	20
304	Structures and Improvements	159	159	0
307	Wells and Springs	19,791	19,791	0
311	Pumping Equipment	11,462	11,462	0
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	63,429	47,571	15,858
333	Services	57,842	23,049	34,793
334	Meters and Meter Installations	41,378	16,114	25,264
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	406	406	0
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	197,487	118,552	75,935

This amount goes on the Balance Sheet Acct. No. 108 

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	20	N/A	0
304	Structures and Improvements	159	.05	0
307	Wells and Springs	19,791	.05	0
311	Pumping Equipment	11,462	.05	0
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	63,429	.05	*
333	Services	57,842	.05	2,537
334	Meters and Meter Installations	41,378	.05	1,815
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	406	.05	0
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	197,487		4,352

This amount goes on Comparative Statement of Income and Expense Acct. No. 403

* amortization of CIAC is \$3,171 which is not included in depreciation expense but is added to accumulated depreciation.

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 1,648	\$ 716
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 1,648	\$ 716
	FIXED ASSETS		
101	Utility Plant in Service	\$ 187,773	\$ 194,487
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	109,852	118,552
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 77,921	\$ 75,935
	TOTAL ASSETS	\$ 79,569	\$ 76,651

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes	0	2,704
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 0	\$ 2,704
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 316,980	\$ 402,105
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	51,954	45,769
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	63,429	63,429
272	Less: Amortization of Contributions	47,565	50,736
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 67,818	\$ 58,462
	TOTAL LIABILITIES	\$ 384,798	\$ 463,271
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 11,000	\$ 11,000
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	(316,229)	(397,620)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ (305,229)	\$ (386,620)
	TOTAL LIABILITIES AND CAPITAL	\$ 79,569	\$ 76,651

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 118,825	\$ 130,339
460	Unmetered Water Revenue		
474	Other Water Revenues	2,895	4,559
	TOTAL REVENUES	\$ 121,720	\$ 134,898
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 5,339	\$ 0
610	Purchased Water	57,996	60,028
615	Purchased Power	1,476	2,123
618	Chemicals		
620	Repairs and Maintenance		
621	Office Supplies and Expense		
630	Outside Services		
635	Water Testing	3,044	1,193
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	121,915	141,366
403	Depreciation Expense	7,259	4,352
408	Taxes Other Than Income	6,426	0
408.11	Property Taxes		11,338
409	Income Tax		50
	TOTAL OPERATING EXPENSES	\$ 203,455	\$ 220,450
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/EXP	\$ 0	\$
	NET INCOME/(LOSS)	\$ (81,735)	\$ (85,552)

COMPANY NAME	TRUXTON CANYON WATER COMPANY, INC.
--------------	------------------------------------

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	VAR			
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$ 402,105	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$ 0	\$	\$	\$
Current Year Principle	\$ 0	\$	\$	\$

Meter Deposit Balance at Test Year End	\$ 0
--	------

Meter Deposits Refunded During the Test Year	\$ 0
--	------

COMPANY NAME **TRUXTON CANYON WATER CANYON, INC.**

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number	Pump Horsepower	Pump Yield (Gpm)	Casing Size (inches)	Meter Size (inches)
624983	3HP	25	12"	1"
624989	CAPPED	N/A	16"	N/A

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
CLAUDE K. NEAL FAMILY TRUST	5700	39,807,930

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = _____

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
N/A	N/A	7 EACH	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
N/A	N/A	N/A	N/A

STATISTICAL INFORMATION

Total number of customers 617

Total number of gallons sold 52,057 gallons

COMPANY NAME TRUXTON CANYON WATER COMPANY, INC. YEAR ENDING 12/31/2000

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2000 was: \$ 11,339

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

COMPANY NAME TRUXTON CANYON WATER COMPANY, INC. YEAR ENDING 12/31/2000

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>0</u>
Estimated or Actual Federal Tax Liability	<u>0 -</u>
State Taxable Income Reported	<u>50</u>
Estimated or Actual State Tax Liability	<u>50</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>0</u>
Amount of Gross-Up Tax Collected	<u>0</u>
Total Grossed-Up Contributions/Advances	<u>0</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

SIGNATURE

DATE

B. MARC NEAL

PRINTED NAME

PRESIDENT

TITLE

COMPANY NAME TRUXTON CANYON WATER COMPANY, INC. YEAR ENDING 12/31/2000

<p>WATER AND SEWER UTILITIES ONLY</p>

PROPERTY TAXES

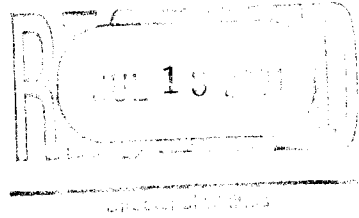
Indicate the amount of actual property taxes paid during this reporting period (Calendar Year 2000)

\$ 11,339

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled Checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain reasons below:

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**



VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
MOHAVE
NAME (OWNER OR OFFICIAL) TITLE
B. MARC NEAL
COMPANY NAME
TRUXTON CANYON WATER COMPANY, INC.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA COPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2000

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2000 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 137,181

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 6,842
IN SALES TAXES BILLED, OR COLLECTED

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SUBSCRIBED AND SWORN TO BEFORE ME

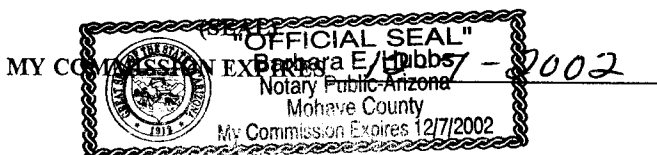
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 11 DAY OF

B Marc Neal
SIGNATURE OF OWNER OR OFFICIAL
928-753-1121
TELEPHONE NUMBER

COUNTY NAME
<u>Mohave</u>
MONTH <u>July</u> YEAR <u>2001</u>

Barbara E. Hubbs
SIGNATURE OF NOTARY PUBLIC



**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME)	MOHAVE	
NAME (OWNER OR OFFICIAL)	B. MARC NEAL	PRESIDENT
COMPANY NAME	TRUXTON CANYON WATER COMPANY, INC.	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2000

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2000 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 126,988

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 6,334
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

X

B Marc Neal
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

20

DAY OF

(SEAL)

MY COMMISSION EXPIRES

12-7-2002

NOTARY PUBLIC NAME	
Barbara E. Hubbs	
COUNTY NAME	
Mohave	
MONTH	2001
July	

Barbara E. Hubbs
SIGNATURE OF NOTARY PUBLIC

